

IN THE UNITED STATES DISTRICT COURT  
FOR THE WESTERN DISTRICT OF TENNESSEE  
WESTERN DIVISION

UNITED STATES OF AMERICA, )  
vs. ) DCN 21-I-002  
Plaintiff, ) Cr. No. 2:21-cr-20057-SHL  
OLLIE STEPHENSON, ) 18 U.S.C. § 1001(a)(3)  
Defendant. )

<u>INFORMATION</u>	<u>FILED IN OPEN COURT</u>
THE UNITED STATES ATTORNEY CHARGES:	DATE: <u>4-14-2021</u>
COUNT 1 (FALSE STATEMENTS)	TIME: <u>3:03 pm</u>
	INITIALS: <u>J.A.</u>

1. At all times material:

A. The United States Department of Agriculture's (USDA) Child and Adult Care Food Program (CACFP), is authorized by Section 17 of the Richard B. Russell National School Lunch Act, as amended. Program regulations issued by the USDA are found in 7 CFR Part 226.

B. The USDA, Food and Nutrition Service (FNS) provides funding for the administration of the CACFP. The CACFP is administered on the state level in Tennessee by the Tennessee Department of Human Services (TDHS).

C. TDHS is responsible for ensuring program compliance by daycare centers and sponsoring organizations (SO's). TDHS conducts audits of the independent child care centers and SO's on a regular basis, as set forth in the CACFP.

D. A primary purpose of the CACFP is to provide nutritious meals and snacks for underprivileged children in daycare centers. A childcare center may participate in the

program independently by contracting directly with the state agency or with an SO, who assists in administering the CACFP and in paying for meals served to eligible children 12 years of age and younger at daycare homes or centers under its sponsorship. An independent child care center or SO enters into an agreement with the TDHS to operate the program, assuming administrative and financial responsibility for the CACFP. Each meal must meet USDA nutritional guidelines to qualify for reimbursement. The amount of payment is based on the enrolled child's household size and gross income and the child's eligibility to participate in the CACFP.

E. To operate the CACFP and receive monthly reimbursements, the SO or independent childcare centers must keep accurate records on the eligibility of enrolled participants for free and reduced price meals for the current year plus five (5) additional years. The level of reimbursement for meals served to eligible participants is based on the number and types of meals served and the income of the enrolled child's household. A provider can be reimbursed for up to two meals and one snack (or two snacks and one meal) per day. The SO or independent child care center must keep enrollment and attendance records, daily meal counts, menus, free and reduced-price meal applications, and other related documents to qualify for reimbursement.

F. In Tennessee, childcare centers participating in the CACFP are also required, at least annually, to complete a Child & Adult Care Food Program Sponsor Application by navigating to an online system maintained by the TDHS. Applicants are notified and must agree with a caveat on the online application that he/she may be subject to prosecution under applicable federal and state statutes upon findings of deliberate misrepresentation of information.

G. Childcare centers subsequently authorized by the State to participate in the CACFP are also required, at least annually, to collect and maintain income eligibility applications in the form of a Free and Reduced-Price Meal (FRPM) application on households of enrolled children. The independent child care center collects the applications from the parents and the Owner or designated authority at the center, reviews and classifies them based on the income guidelines. The independent child care center is responsible for determining the classification of each application for the FRPM application. The FRPM application is reviewed and classified in categories of "free", "reduced-priced", and "non-needy." The non-needy classification does not mean an application is denied. Each child is eligible for reimbursement, but at a different rate, depending on the classification they are determined to meet. Meals and snacks served to children who are eligible for free and reduced-price school meals receive higher rates of reimbursement.

H. Louise's Learning Tree Daycare Center (Louise's), was located at 1126 Chelsea Ave. in Memphis, TN. Louise's was licensed by the State of Tennessee as a daycare in 1995, and was a participant in the CACFP program.

I. Defendant **OLLIE STEPHENSON**, was the director of Louise's and was listed as "Claim Preparer," "Authorized Individual," and "Program Contact" on the CACFP Sponsor Application for Fiscal Year 2020.

J. On April 23, 2020, a TDHS Program Monitor emailed defendant **STEPHENSON** and requested certain documents that Louise's was required to maintain and provide upon demand by the Provider Agreement and the Code of Federal Regulations.

2. On or about May 5 2020, in the Western District of Tennessee, the defendant,

**OLLIE STEPHENSON,**

concerning a matter within the jurisdiction of the executive branch of the government of the United States, that is, the United States Department of Agriculture, did knowingly and willfully make and use and cause to be made and used, false writings and documents which he knew contained materially false, fictitious and fraudulent statements and entries. More specifically, in response to a request from a TDHS program monitor, defendant **STEPHENSON**, submitted and caused to be submitted to TDHS, among other things, the following:

A. A fictitious Regions' Bank statement for the account styled Louise's Learning Tree Day Care for the period ending March 31, 2020, which fictitious statement falsely represented, among other things, that the beginning balance in the account was \$22,212.13 and the ending balance was \$14,802.97; and,

B. A fictitious invoice dated March 23, 2020, purportedly issued to Louise's Learning Tree by U.S. Foods which falsely represented that Louise's had purchased \$10,401.31 in food products from U.S. Foods.

All in violation of Title 18, United States Code, Section 1001(a)(3).

DATED: March 15, 2021

Joe Murphy  
JOSEPH C. MURPHY, JR.  
ACTING UNITED STATES ATTORNEY